

Ventura CSD/EA

2005-2006

CEO 592

SECTOR 1

AWARD

In the Matter of:

Ventura Community School District  
Public Employer

and

Ventura Educational Association  
Public Employee Organization

Micheal L. Thompson

Arbitrator

Appearances:

For the Employer:

Dan Versteeg, Superintendent and Chief Negotiator

For the Public Employee Organization:

Joann Mackin, ISEA UniServe Director

Cindy Carroll, ISEA UniServ Director

Betty Fuller, ISEA School Budget Specialist

Lorie Huffman, Chief Negotiator

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## STATEMENT OF JURISDICTION

The matter proceeds to an arbitration hearing pursuant to the statutory provisions established in the Public Employment Relations Act, Chapter 20, code of Iowa. The above named arbitrator was selected from a list furnished to the parties by the Public Employment Relations Board.

An interest arbitration hearing was held on May 15, 2006 at 3:30 pm at Ventura, Iowa. The hearing was electronically recorded. At the hearing the parties (Ventura Community School District hereinafter Employer and Ventura Educational Association hereinafter Association) were given the full opportunity to introduce evidence, facts, and arguments in support of their respective positions. Upon the basis of the evidence, facts, and arguments presented, the following award was made.

## STATEMENT OF THE ISSUES and POSITIONS OF THE PARTIES

For the District:

1. Advance Salary Schedule
2. Pay increase in insurance
3. Divide remaining dollars on lanes and steps

Not to exceed 4% total package.

For the Association:

Article 14: Insurance

Change the current four hundred seventy-four dollars and thirteen cents (\$474.13) per month to be four hundred ninety-nine dollars and twenty-five cents (\$499.25) per month.

A second insurance plan shall continue to be offered for 2006-07 that is the same as the current insurance plan being offered in 2005-06 at the rate of \$580.02 for 2006-07.

Change all the \$474.13 to \$499.25

Change the current twenty-seven dollars and thirty cents (\$27.30) to be twenty-nine dollars and thirty cents (\$29.30).

Schedule 'A'

BA Base (Generator Base) shall go from \$22,930 to \$23,575 an increase of \$645

Vertical Increments shall be the following for the listed lanes:

- BA Lane = \$650 (an increase of \$53)
- BA +12 Lane = \$670 (an increase of \$53)
- BA+24 Lane = \$690 (an increase of \$53)
- MA Lane = \$710 (an increase of \$52)

Horizontal Increments shall be the following for the listed lanes:

- From BA to BA+12 = \$715 (an increase of \$53)
- From BA+12 to BA+24 = \$735 (an increase of \$53)
- From BA+24 to MA = \$755 (an increase of \$53)

Current Flat Dollar Longevity of \$400 shall remain as current contract.

The Ventura EA costs this proposal at 5.55% total Package

## CRITERIA APPLIED IN MAKING AWARD

The Iowa Public Employment Relations Act contains criteria that are to be used by an arbitrator in judging the reasonableness of the parties' collective bargaining proposals. The Act establishes the criteria that are to be used by interest arbitrators in formulating their awards. Section 22.9 of the Act provides, in relevant part:

The panel of arbitrators shall consider, in addition to any other relevant factors, the following factors:

- a. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
- b. Comparison of wages, hours, and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.
- c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effects of such adjustments on the normal standard of service.
- d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

With the criteria mandated for arbitrators firmly in mind and based upon the entire record developed at the hearing, the award contained in this report is formulated

## Background

The Ventura Community School District is located in the north central part of the state and it is a rural area that includes numerous small towns and farming populations. The parties have engaged in collective bargaining since 1975. While the bargaining relationship has been relatively free of acrimony, impasse procedures have been utilized. The current contract is for the year that begins July 1, 2006, and the parties have been unable to resolve the preceding issues. The District and Association have spent considerable time in bargaining and negotiations, including the intervention of a mediator to voluntarily resolve the issues. This effort was unsuccessful and the impasse proceeded to hearing. The parties have voluntarily agreed to waive any statutory time limitations (which was confirmed by the arbitrator at hearing).

The District and Association presented evidence and each asserted their respective positions. The impasse appears to have generated intense feelings for both groups. The subscribed arbitrator has reviewed and considered, at length, the arguments, records, and evidence presented and has carefully considered each point raised by the District and Association.

This dispute centers around a number of issues – wages and insurance. While they are separate issues, each impact upon the monetary framework of the District. As part of the arbitration, the economic issues were paramount, and they have created some acrimony. During the hearing, each party was given ample time to present evidence and testimony regarding their respective position. At the end of the session each party elected to present a closing statement.

Given the history of negotiations, the parties have experience with comparability. The District and the Association used different comparability groupings. The Association presented three comparability groupings that included:

School districts within the Cornbelt Athletic Conference in north central Iowa – (16) sixteen districts including Ventura;

Ten districts larger in student population and ten districts smaller than Ventura;

AND

Twenty-two districts within a (30) thirty mile radius of Ventura.

The Association made note of those districts in the comparability groupings that do not bargain.

The District did not present a comparability grouping.

Among the strategic factors for a neutral to consider in making an award is the comparability group. The weight given by the arbitrator is a function of several factors, which include, but are not limited to: geographical proximity, size of population, demographic characteristics, and other relevant financial data. Therefore, it is not necessary to adopt in its entirety, either party's group as most appropriate. However, appropriate weight has been given to each grouping. Before noting the comparability group, it should be noted that the Association spent considerable time detailing the reasons for using its comparability group while the District did not. This was not lost on the Arbitrator, and it reached the level to convince the arbitrator that the Association's grouping was more appropriate.

Another strategic factor to consider is bargaining history. The Association detailed the history for the last eleven years and detailed how the contract had reached the

current status. The District also reflected upon the history and noted the concerns about the funding for the district. Both parties identified strategic points, but in the end the Association articulated its points more persuasively.

Before moving to the issues, it is also strategic to note that the Association asserted that the Employer's arbitration proposal was illegal as it did not specify an exact amount to be paid -- "up to 4%". The Arbitrator did not rule on this.

The first issue is wages. The District seeks to maintain the efficiency of its operations and as part of that efficiency, it argues for a wage increase not to exceed 4% which would be applied to advancing the salary schedule, paying increases in insurance, and placing the remaining dollars on an equal basis between lanes and steps. The District does not assert there is an inability to pay, but it does note that it has a relative inability to pay. The District also argues for its package based upon its receipt of an overpayment from the State for the fiscal year 2005-06 which must be repaid in 2006-07. Regarding the relative inability to pay, District notes that the new money of 6.68% will not pay the costs of the proposed raise when the overpayment is considered. Moreover, the District notes that its expenditures have increased while net income has decreased. The net result is that an increase above 4% will mean cuts in staffing and supplies. Additional time was spent by the District articulating why comparability with other districts was not fair as teachers at Ventura have a different contract year with less days of work. However, the Association presented evidence that documents its teachers are not paid well when compared to its comparable units or the rest of the state. Despite this assertion, the District asserts that its package is more appropriate given the revenue.

The Association argues that the issue is not one of an inability to pay. The

Association asserts that the District has new money of \$96.998 plus additional savings generated from teachers leaving the district -- turnover savings of \$24,000. The Association also notes that the difference in cost between the packages is approximately \$24,000, which will be readily paid by the turnover savings. In addition they argue that the District compares unfavorably with other certified districts within the three comparability groupings, and that the teachers are behind almost all districts and need an above average increase. Within this context the Association asserts that the District has an unspent balance of \$341,000 and an ending funding balance of \$674,000. Thus the Association contends that the situation is not an economic issue.

The Association also argues that the 5.55% total package settlement is more reasonable when compared with other settlements throughout the state regardless of the regular program increase. Moreover, when the regular program increase is factored in, the Association contends the raise is even more reasonable. The Association also counters that this is not an inability to pay issue -- the District can levy taxes and use funds in a more creative method. Finally the Association contests the assertion by the District that the overpayment will have a severe impact as the state builds in a process to repay the overpayment that does not over extend any district. This was not refuted by the District.

In reaching a decision on this issue, the arbitrator finds that the Association and District has distinctly different views related to the funding of the pay raise. In this instance the Association's articulation of the facts was stronger, as the District did not rebut the Association's evidence re: cash reserve, ending fund balance, ability to levy, comparability, and turnover savings. It is obvious that the District has limited or relative



ability to pay, but it certainly does not reach a level of inability. The District has concerns about its survival as documented, but it did not demonstrate how the pay differential between the Association proposal and its proposal will contribute to the erosion of the financial conditions of the District. The Association presented better evidence. Thus it is more reasonable to award the Association proposal -- the base will increase \$675 and the lanes will \$53 except for the MA lane which will increase \$52. The horizontal increments will increase \$53 and the longevity will remain current contract.

The next issue is insurance. The District proposal calls for paying the increase in insurance while the Association specifically calls for increasing the insurance to \$499.25. In addition the Association asserts that all other aspects of the contract be changed to this amount. In this case both parties are arguing for the same thing -- specifically that insurance be increased. Note, however, that the District's argument was couched within the context of a 4% total package. The Arbitrator finds that the insurance should be increased to \$499.25 as per the Association proposal. The District does not actually contest this amount, although its proposal was based upon a 4.0% total package versus an increase of 5.55% total package awarded by the arbitrator.

**AWARD**

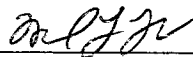
Article 14: Insurance -- increase the amount paid to \$499.25 per month

Schedule A -- increase the BA base \$645 and all lanes \$53 except the MA \$52, increase horizontal increments \$53 and maintain the flat dollar longevity at \$400 as per the current contract.

Dated and signed by:

5-27-06

Micheal L. Thompson, Arbitrator



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Certificate of Service

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I certify that on the 27th day of May, 2006, the foregoing Arbitration Award was served upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Joann Mackin, Uniserv Director 2  
ISEA  
PO Box 402  
Hampton, Iowa 50441

Dan Versteeg, Superintendent  
Ventura Community School District  
110 S. Main, Box 18  
Ventura, Iowa 50123

I further certify that on the 27th day of May, 2006, I will submit this report for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12<sup>th</sup> Street, Suite 1B, Des Moines, Iowa 50319.